

DEPARTMENT OF TRADE AND COMMERCE
 DOMINION BUREAU OF STATISTICS - CANADA
 INTERNAL TRADE BRANCH

Dominion Statistician:
 Chief, Internal Trade Branch:
 Statistician:

S. A. Cudmore, M.A. (Oxon.) F.S.S., F.R.S.C.
 H. Marshall, B.A., F.S.S.
 C. D. Flyth, B.A.

Vol. 8.

No. 7.

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIESJuly, 1942

Net sales of securities to other countries in July were \$6.8 million compared with \$6.3 million in June. Although lower than the heavy volume recorded in March and April this continues to be an unusually high level. Sales of Canadian bonds were again the major part of the total, sales of United States securities remaining light.

Net sales of Dominion guaranteed bonds of \$3.1 million accounted for the largest part of the balance of sales. Most of the remainder was made up by net sales of Dominions of \$1.9 million and net sales of provincials of \$1.6 million. Municipal issues and corporation bonds were also sold on balance while there were repurchases of unguaranteed railway issues of \$1.3 million.

Repurchases of Canadian securities from the United Kingdom were \$0.4 million.

There was a slight balance of sales in the trade with other countries.

In the first seven months of 1942 net sales of securities by Canada were \$64.6 million compared with \$13.7 million in the same period of 1941. Net sales of Canadian bonds accounted for \$60.0 million of this balance with Dominion guarantees amounting to \$28.4 million, Dominions \$14.5 million and provincials \$16.8 million. Net sales of Canadian bonds in the same months of 1941 only amounted to \$3.1 million. Net sales of United States securities in the first half of 1942 were \$5.1 million compared with \$10.0 million in the corresponding part of 1941.

The index numbers of Canadian common stock prices shown in Table 5 receded from the June levels while the United States index rose. There were only slight fluctuations in the prices in July of the government bonds shown in Table 4. The official buying and selling rates for foreign exchange remained at the levels fixed in September, 1939.

The international trade in securities shown by statistics in this bulletin was carried on through the medium of the investment dealers, stock exchanges, banks, Canadian branches of United States houses and other agencies in Canada. It should be noted that certain types of international security transactions are not included in these statistics. The most important groups of security transactions not included are the redemption of called or matured Canadian bonds owned abroad and official repatriation operations. For a period of years, retirements of Canadian bonds owned outside of Canada have exceeded flotations of new issues abroad by substantial amounts. Statistics on these capital movements are shown in the annual reports on the Canadian Balance of International Payments.

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
 (In millions of dollars to nearest hundred thousand)

Table 1.

Year and Month	Total Transactions			United States			United Kingdom			Other Countries		
	Sales	Purchases	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-
<u>1940</u>												
TOTAL	123.9	95.1	+ 28.8	113.8	83.4	+ 30.4	7.0	9.6	- 2.6	5.1	2.1	+ 1.0
May	18.3	16.0	+ 2.3	17.1	14.4	+ 2.7	0.8	1.3	- 0.5	0.4	0.3	+ 0.1
June	9.0	6.4	+ 2.6	8.5	5.7	+ 2.8	0.4	0.6	- 0.2	0.1	0.1	-
July	4.4	3.1	+ 1.3	4.2	2.8	+ 1.4	0.1	0.2	- 0.1	0.1	0.1	-
August	3.8	3.4	+ 0.4	3.7	2.9	+ 0.8	0.1	0.5	- 0.4	(1)	(1)	-
September ..	6.1	4.1	+ 2.0	6.0	3.9	+ 2.1	(1)	0.2	- 0.2	0.1	(1)	+ 0.1
October	5.3	4.8	+ 0.5	5.2	4.6	+ 0.6	(1)	0.1	- 0.1	0.1	0.1	-
November ...	9.0	6.6	+ 2.4	8.8	5.8	+ 3.0	(1)	0.6	- 0.6	0.2	0.2	-
December ...	8.1	7.0	+ 1.1	8.0	6.6	+ 1.4	(1)	0.4	- 0.4	0.1	0.1	-
<u>1941</u>												
TOTAL	108.3	75.3	+ 33.0	104.8	68.5	+ 36.3	1.8	4.9	- 3.1	1.7	1.9	- 0.2
January	9.1	6.3	+ 2.8	8.1	5.7	+ 2.4	0.8	0.4	+ 0.4	0.2	0.2	-
February ...	6.8	5.0	+ 1.8	6.2	4.5	+ 1.7	0.4	0.3	+ 0.1	0.2	0.2	-
March	6.3	5.4	+ 0.9	5.8	5.0	+ 0.8	0.3	0.3	-	0.2	0.1	+ 0.1
April	7.3	5.2	+ 2.1	7.1	4.8	+ 2.3	(1)	0.3	- 0.3	0.2	0.1	+ 0.1
May	6.9	4.4	+ 2.5	6.9	4.1	+ 2.8	(1)	0.2	- 0.2	(1)	0.1	- 0.1
June	5.4	3.2	+ 2.2	5.2	2.8	+ 2.4	0.1	0.3	- 0.2	0.1	0.1	-
July	7.9	6.4	+ 1.5	7.8	5.9	+ 1.9	(1)	0.3	- 0.3	0.1	0.2	- 0.1
August	7.0	5.8	+ 1.2	6.8	5.2	+ 1.6	(1)	0.5	- 0.5	0.1	(1)	+ 0.1
September ..	11.2	7.5	+ 3.7	11.0	6.8	+ 4.2	0.1	0.6	- 0.5	0.1	0.1	-
October	15.9	9.4	+ 6.5	15.7	8.8	+ 6.9	(1)	0.5	- 0.5	0.2	0.1	+ 0.1
November ...	13.9	8.3	+ 5.6	13.7	7.1	+ 6.6	0.1	0.8	- 0.7	0.1	0.4	- 0.3
December ...	10.5	8.3	+ 2.2	10.4	7.7	+ 2.7	(1)	0.4	- 0.4	0.1	0.2	- 0.1
<u>1942</u>												
TOTAL	103.5	38.9	+ 64.6	102.3	35.5	+ 66.8	0.1	2.7	- 2.6	1.1	0.8	+ 0.3
January	12.4	7.3	+ 5.1	12.3	6.7	+ 5.6	(1)	0.5	- 0.5	0.1	0.1	-
February ...	5.3	3.5	+ 1.8	5.2	3.1	+ 2.1	(1)	0.3	- 0.3	0.1	0.1	-
March	28.9	5.9	+ 23.0	28.8	5.2	+ 23.6	(1)	0.6	- 0.6	0.1	0.1	-
April	18.6	4.8	+ 13.8	18.5	4.3	+ 14.2	(1)	0.4	- 0.4	0.1	0.1	-
May	14.0	6.3	+ 7.7	13.7	5.6	+ 8.1	(1)	0.3	- 0.3	0.4	0.4	-
June	10.8	4.5	+ 6.3	10.5	4.2	+ 6.3	(1)	0.2	- 0.2	0.3	0.1	+ 0.2
July (x)....	13.3	6.5	+ 6.8	13.2	6.1	+ 7.1	(1)	0.4	- 0.4	0.1	(1)	+ 0.1

(1) Less than 0.05 (x) Subject to revision.

Analysis of Trade in Securities Between Canada and Other Countries
July, 1942

Table 2.

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
			\$	\$	\$	\$	\$	\$
Bonds and Debentures, Total	11,777,204	5,379,780	11,685,392	5,071,123	21,000	282,225	70,812	26,432
Canadian new issues	17,064	-	17,064	-	-	--	-	-
Canadian Outstanding Issues --								
Dominion	2,677,795	815,200	2,622,698	794,750	-	-	55,097	20,450
Provincial	1,901,751	287,597	1,901,751	274,676	-	12,921	-	-
Municipal	494,197	212,773	494,197	116,048	-	96,725	-	-
Guaranteed by the Dominion	3,818,603	724,909	3,818,603	724,909	-	-	-	-
Railway, Other	964,995	2,255,871	964,995	2,167,593	-	88,278	-	-
Other Corporations	1,092,846	459,866	1,077,131	369,583	-	84,301	15,715	5,982
United States New Issues --								
Government	-	14,535	-	14,535	-	-	-	-
Other	-	-	-	-	-	-	-	-
United States Outstanding Issues --								
Government	126,514	66,821	126,514	66,821	-	-	-	-
Other	207,688	205,247	207,688	205,247	-	-	-	-
United Kingdom New Issues --								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues --								
Government	6,998	172,796	6,998	172,796	-	-	-	-
Other	167,276	-	167,276	-	-	-	-	-
Other Countries New Issues	-	-	-	-	-	-	-	-
Other Countries Outstanding Issues ..	71,636	10,696	50,636	10,696	21,000	-	-	-
Unspecified Bonds and Debentures	229,841	153,469	229,841	153,469	-	-	-	-
<u>Common & Preference Stocks</u>								
Canadian	581,440	458,811	542,402	389,024	5,171	66,151	33,867	3,636
United States	950,960	645,074	950,960	644,667	-	-	-	407
United Kingdom	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
Short-Term Securities (1 yr. or less)	6,996	35,981	6,996	35,981	-	-	-	-
<u>Other Securities</u>								
Canadian	-	-	-	-	-	-	-	-
United States	-	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
GRAND TOTAL	13,316,600	16,519,646	13,185,750	6,140,795	26,171	348,376	104,679	30,475

Analysis of Trade in Securities Between Canada and Other Countries
For the seven months ending July, 1942

Table 2-A

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
Bonds & Debentures, Total	\$ 88,929,613	\$ 27,905,506	\$ 87,904,924	\$ 25,440,621	\$ 42,244	\$ 1,811,949	\$ 982,445	\$ 652,936
Canadian new issues	147,298	-	131,177	-	-	-	16,121	-
Canadian Outstanding Issues --								
Dominion	20,961,226	6,502,077	20,187,685	6,129,560	200	21,479	773,341	351,038
Provincial	18,707,357	1,891,395	18,707,357	1,402,223	-	429,131	-	60,041
Municipal	3,277,632	1,397,318	3,277,632	761,989	-	635,329	-	-
Guaranteed by the Dominion	30,909,817	2,546,838	30,904,357	2,402,700	-	47,678	5,460	96,460
Railway, Other	4,547,898	7,298,251	4,534,869	7,151,457	5,600	138,736	7,429	8,058
Other Corporations	4,192,246	3,098,995	4,000,939	2,673,924	11,514	314,428	179,793	110,643
United States New Issues --								
Government	-	250,734	-	250,734	-	-	-	-
Other	-	421,101	-	421,101	-	-	-	-
United States Outstanding Issues --								
Government	1,181,323	606,347	1,181,323	606,347	-	-	-	-
Other	1,601,873	1,008,024	1,601,873	1,000,861	-	-	-	7,163
United Kingdom New Issues --								
Government	-	-	-	-	-	-	-	-
Other	-	163	-	163	-	-	-	-
United Kingdom Outstanding Issues --								
Government	10,928	396,181	6,998	174,681	3,930	221,500	-	-
Other	279,104	111,949	279,104	111,949	-	-	-	-
Other Countries New Issues	-	-	-	-	-	-	-	-
Other Countries Outstanding Issues	756,436	492,671	735,135	469,470	21,000	3,668	301	19,533
Unspecified Bonds and Debentures ...	2,356,475	1,883,462	2,356,475	1,883,462	-	-	-	-
<u>Common and Preference Stocks</u>								
Canadian	5,873,345	6,951,761	5,694,462	5,960,130	26,779	841,231	152,104	149,800
United States	7,812,302	3,306,843	7,812,192	3,300,578	-	3,760	110	2,505
United Kingdom	5,282	690	4,513	690	769	-	-	-
Other Countries	40,616	408	40,482	-	-	-	134	408
Short-term Securities (1 yr. or less)	14,994	133,994	14,994	133,994	-	-	-	-
<u>Other Securities</u>								
Canadian	388,134	382,793	388,134	382,793	-	-	-	-
United States	366,721	259,695	366,721	259,695	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
Other Countries	24,655	-	24,655	-	-	-	-	-
GRAND TOTAL	103,455,662	38,941,690	102,251,077	35,478,501	69,792	2,657,540	1,134,793	1805,649

Sales and Purchases of Securities Between Canada and Other Countries
by Nationality and Class of Security

(Summary Table)

July, 1942.

Table 3

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
			\$	\$	\$	\$	\$	\$
Canadian Securities, Total	11,548,691	5,215,027	11,438,841	4,836,583	5,171	348,376	104,679	30,068
Bonds and Debentures	10,967,251	4,756,216	10,896,439	4,447,559	-	282,225	70,812	26,432
Common and Preference Stocks ..	581,440	458,811	542,402	389,024	5,171	66,151	33,867	3,636
Other Securities	-	-	-	-	-	-	-	-
United States Securities, Total ..	1,285,162	931,677	1,285,162	931,270	-	-	-	407
Bonds and Debentures	334,202	286,603	334,202	286,603	-	-	-	-
Common and Preference Stocks ..	950,960	645,074	950,960	644,667	-	-	-	407
Other Securities	-	-	-	-	-	-	-	-
United Kingdom Securities, Total ..	174,274	172,796	174,274	172,796	-	-	-	-
Bonds and Debentures	174,274	172,796	174,274	172,796	-	-	-	-
Common and Preference Stocks ..	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities, Total ..	71,636	10,696	50,636	10,696	21,000	-	-	-
Bonds and Debentures	71,636	10,696	50,636	10,696	21,000	-	-	-
Common and Preference Stocks ..	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 yr. or less)	6,996	35,981	6,996	35,981	-	-	-	-
Unspecified Bonds and Debentures ..	229,841	153,469	229,841	153,469	-	-	-	-
GRAND TOTAL	13,316,600	6,519,646	13,185,750	6,140,795	26,171	348,376	104,679	30,475

Sales and Purchases of Securities Between Canada and Other Countries
By Nationality and Class of Security.

For the Seven Months Ending July 1942.

Table 3-A.

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
Canadian Securities, Total	89,004.953	30,069.428	87,826.612	26,864.776	44,093	2,428.612	1,134,248	776,040
Bonds and Debentures	82,743,474	22,734,874	81,744,016	20,521,853	17,314	1,586,781	982,144	626,240
Common and Preference Stocks .	5,873,345	6,951,761	5,694,462	5,960,130	26,779	841,831	152,104	149,800
Other Securities	388,134	382,793	388,134	382,793	-	-	-	-
United States Securities, Total .	10,962,219	5,852,744	10,962,109	5,839,316	-	3,760	110	9,668
Bonds and Debentures	2,783,196	2,286,206	2,783,196	2,279,043	-	-	-	7,163
Common and Preference Stocks .	7,812,302	3,306,843	7,812,192	3,300,578	-	3,760	110	2,505
Other Securities	366,721	259,695	366,721	259,695	-	-	-	-
United Kingdom Securities, Total.	295,314	508,983	290,615	287,483	4,699	221,500	-	-
Bonds and Debentures	290,032	508,293	286,102	286,793	3,930	221,500	-	-
Common and Preference Stocks .	5,282	690	4,513	690	769	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities, Total	821,707	493,079	800,272	469,470	21,000	3,668	435	19,941
Bonds and Debentures	756,436	492,671	735,135	469,470	21,000	3,668	301	19,533
Common and Preference Stocks .	40,616	408	40,482	-	-	-	134	408
Other Securities	24,655	-	24,655	-	-	-	-	-
Short-Term Securities (1 yr. or less)	14,994	133,994	14,994	133,994	-	-	-	-
Unspecified Bonds and Debentures	2,356,475	1,883,462	2,356,475	1,883,462	-	-	-	-
GRAND TOTAL	103,455,662	38,941,690	102,251,077	35,478,501	69,792	2,657,540	1,134,793	805,649

Bid Price and Yield for Domestic Government
Bonds in United Kingdom, United States and Canada

Table 4

Date	United Kingdom		United States			Dominion of Canada			
	3- $\frac{1}{2}\%$ War Loan Callable on or after December 1, 1952 ^a	3% of Sept. 15, 1955, Callable on or after Sept. 15, 1951	3% of Nov. 1, 1958, Callable on or after Nov. 1, 1948	3% of June 1, 1955, Callable on or after June 1, 1950					
	Price	Yield	Price	Yield	Tax Equiv. ^x	Price	Yield	Price	Yield
<u>1940</u>									
May, 15 ..	98.16	3.57	108.31	2.17	2.83	108.38	3.35	97.13	3.24
June, 19 ..	96.83	3.61	109.38	2.06	2.72	107.25	3.49	96.00	3.34
July, 17 ..	92.69	3.55	110.41	1.96	2.75	107.25	3.49	96.50	3.30
Aug., 14 ..	99.29	3.53	109.75	2.01	2.80	108.00	3.38	97.13	3.25
Sept. 18 ..	99.95	3.50	110.91	1.90	2.69	108.63	3.28	97.50	3.22
Oct., 16 ..	101.43	3.36	111.38	1.84	2.78	108.38	3.31	97.88	3.18
Nov., 13 ..	101.67	3.33	112.78	1.70	2.64	108.13	3.33	98.13	3.16
Dec., 18 ..	102.59	3.24	113.50	1.63	2.57	109.00	3.20	98.63	3.12
<u>1941</u>									
Jan., 15 ..	103.01	3.19	112.28	1.73	2.67	109.25	3.15	98.88	3.10
Feb., 19 ..	102.67	3.23	110.34	1.92	2.86	108.63	3.23	98.50	3.13
March, 19 ..	103.15	3.18	111.94	1.75	2.69	109.25	3.13	99.00	3.09
April, 16 ..	102.58	3.23	111.62	1.77	2.71	108.88	3.17	98.75	3.11
May, 14 ..	103.96	3.09	112.13	1.71	2.65	108.50	3.21	98.75	3.11
June, 18 ..	103.84	3.10	112.59	1.66	2.60	108.25	3.23	98.50	3.13
July, 16 ..	104.63	3.02	113.06	1.60	2.54	108.38	3.20	98.63	3.12
Aug., 13 ..	104.99	2.98	111.94	1.71	2.65	109.00	3.10	98.63	3.12
Sept., 17 ..	105.15	2.96	111.78	1.71	2.65	108.75	3.12	98.88	3.10
Oct., 15 ..	104.64	3.01	112.22	1.66	2.60	108.75	3.11	99.13	3.08
Nov., 12 ..	104.73	2.99	113.13	1.56	2.50	109.00	3.05	99.38	3.06
Dec., 17 ..	104.41	3.02	110.91	1.78	2.72	108.88	3.06	99.38	3.06
<u>1942</u>									
Jan., 14 ..	104.89	2.97	110.56	1.80	2.74	109.00	3.02	99.63	3.03
Feb., 18 ..	103.99	3.06	108.97	1.97	2.91	108.75	3.05	99.38	3.06
March, 18 ..	104.72	2.98	110.59	1.78	2.72	108.75	3.03	99.25	3.07
April, 16 ..	105.08	2.94	110.69	1.76	2.70	109.00	2.98	99.38	3.06
May, 13 ..	104.87	2.96	110.47	1.78	2.72	108.75	3.00	99.50	3.05
June, 17 ..	104.91	2.95	110.78	1.73	2.67	108.63	3.00	99.75	3.02
July, 15 ..	105.52	2.88	110.53	1.75	2.69	108.25	3.05	99.75	3.02

+ All prices are quoted on an "and interest" basis. The price of the United Kingdom War Loan has been adjusted from the "flat" basis on which it is quoted in London.

x Yield on a comparable taxable security which would give an equivalent net return to holders who were subject to income tax at the flat corporation rate. This rate was 16- $\frac{1}{2}\%$ to December 31, 1939; 18% to June, 1940; and 20.9% in July, August and September; and 24% in October and thereafter.



1010508496

Index Numbers of Common Stocks Prices in Canada
and the United States, 1940-1942

(1935-39 = 100)

Table 5.

	CANADA			United States
	Dominion Bureau of Statistics			(402)
	Investors' Price Index (95) (68 Industrials 19 Utilities 8 Banks)	Mining Stocks Gold Stocks (22)	Composite Mining Index (25)	(Standard & Poor's Corp.) 354 Industrials 20 Railroads 28 Utilities
<u>1940</u>				
May	73.3	67.6	74.5	85.1
June	65.5	57.7	63.4	78.1
July	66.1	59.1	64.8	80.8
August	69.3	64.6	71.0	81.6
September	75.8	70.8	77.5	85.5
October	74.2	72.9	79.2	86.0
November	74.5	76.5	82.4	86.7
December	70.3	74.9	80.2	84.9
<u>1941</u>				
January	71.3	74.4	79.4	85.0
February	66.5	70.6	74.9	80.1
March	66.8	70.0	75.1	80.3
April	65.8	69.0	75.1	77.9
May	63.9	66.1	71.2	77.1
June	64.0	64.4	71.0	79.5
July	67.5	66.2	74.6	83.2
August	67.8	66.0	74.6	83.2
September	71.0	66.0	75.4	83.6
October	69.1	60.8	69.7	80.4
November	68.8	54.9	65.0	77.4
December	67.2	52.2	63.2	71.8
<u>1942</u>				
January	66.8	50.5	61.9	72.6
February	64.7	45.4	57.5	69.9
March	62.3	40.1	51.9	66.0
April	61.1	37.5	49.3	63.3
May	62.0	39.6	51.7	63.2
June	62.8	42.6	53.2	66.1
July	62.4	39.3	50.6	68.2